

Good morning, my name is Marie Lenane and I am a Purchase of Service Pricing Analyst at the Executive Office of Health and Human Services. I am here to present staff testimony on the proposed amendments to 101 CMR 419.00: Rates for Supported Employment Services that will amend the rates for services purchased by the Department of Developmental Services (DDS), the Massachusetts Commission for the Blind (MCB), and by the Massachusetts Rehabilitation Commission (MRC). The effective date for the proposed amended rates is July 1, 2021.

Amendments to this regulation are being proposed at this time in accordance with M.G.L. Chapter 118E, Section 13D, which requires the Secretary of EOHHS to establish by regulation rates of payment for social services that are reasonable and adequate to meet the costs incurred by efficient and economically operated social service providers.

The amendments to 101 CMR 419.00 are being updated to include an increase by a cost adjustment factor (CAF) of 2.00%. The CAF was determined by using baseline and prospective Massachusetts Economic Indicator data from IHS Economics – Fall 2020 Forecast, optimistic scenario data. The CAF reflects the period between the rates' base period (calendar year 2021 second quarter) and the prospective period of fiscal years 2022 and 2023. The rates for the supported employment services have been updated to incorporate an employer and employee contribution required by the Massachusetts paid family and medical leave law. As part of the workforce initiative, staff salaries, with the exception of the program management positions, have been benchmarked to the Massachusetts Bureau of Labor Statistics (BLS) median wages for 2017/2018. The management salary has been benchmarked to the rates in 101 CMR 415.00: *Rates for Community-Based Day Support Services*. The programmatic expenses have been benchmarked to the FY19 Uniform Financial Statements and Independent Auditor's Report (UFR). The tax and fringe rate has been benchmarked to 22.40% and the administrative allocation has been benchmarked to 12%. Additionally, a rate for individual ongoing supports has been established in this regulation. Finally, the separate workforce initiative rate has been removed from the regulation because the workforce initiative goal of the rate review has been met with the incorporation of BLS benchmarking into the rates.

The total projected annualized cost to state government from the increase in rates effective July 1, 2021, is \$2,047,660, which represents an increase of 3.87% over FY20 spending of approximately \$53 million.

This concludes my testimony. Thank you.